



General Assembly

January Session, 2007

Substitute Bill No. 6995

* _____ HB06995PD _____ 032307 _____ *

AN ACT CONCERNING SPECIAL DEVELOPMENT ZONES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 8-376 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2007*):

3 (a) As used in this section and section 8-378, as amended by this act,
4 "blighted property" means any structure or vacant or unimproved lot
5 or parcel (1) that has significant unremedied building, housing or
6 health code violations; (2) that has a high vacancy rate or is
7 abandoned, vacant or unoccupied; (3) for which taxes are delinquent;
8 or (4) that has been deemed a public nuisance under any provision of
9 the general statutes or any local ordinance; and

10 (b) Any municipality [which is a distressed municipality as defined
11 in subsection (b) of section 32-9p, on October 1, 1987,] (1) that is
12 classified as a public investment community within the meaning of
13 subdivision (9) of subsection (a) of section 7-545, or (2) in which at least
14 twenty-five per cent of the real property in one or two contiguous
15 United States census tracts or a portion of an individual census tract as
16 determined in accordance with the most recent United States census is
17 blighted property may apply to the Commissioner of Economic and
18 Community Development to designate an area of such municipality as
19 a housing development zone. Any [such area shall consist]
20 municipality that is a public investment community shall designate as

21 a housing development zone an area that consists of one or two
22 contiguous United States census tracts or a portion of an individual
23 census tract as determined in accordance with the most recent United
24 States census. Any municipality that has one or two contiguous census
25 tracts or a portion of an individual census tract as determined in
26 accordance with the most recent United States census in which at least
27 twenty-five per cent of the real property is blighted property shall
28 designate such census tracts as the housing development zone. At least
29 twenty-five per cent of the designated area shall be zoned or allow for
30 multifamily residential dwellings.

31 Sec. 2. Section 8-378 of the general statutes is repealed and the
32 following is substituted in lieu thereof (*Effective July 1, 2007*):

33 (a) The Commissioner of Economic and Community Development
34 may approve the designation of [up to three areas in the state]
35 qualified portions of a municipality as housing development zones,
36 provided the commissioner shall not approve the designation of more
37 than one housing development zone in any municipality. [Proposals
38 for financial assistance received by the commissioner from eligible
39 developers, as defined in section 8-39, for programs or projects
40 authorized pursuant to chapter 128, 130, 133 or 138 which will be
41 located in a housing development zone shall be accorded a high
42 priority to receive financial assistance from the commissioner.] A
43 municipality applying for approval of the designation shall include
44 information in such application sufficient for the commissioner to
45 determine that such municipality (1) is classified as a public
46 investment community, or (2) has at least twenty-five per cent of the
47 real property in one or two contiguous United States census tracts or a
48 portion of an individual census tract as determined in accordance with
49 the most recent United States census in the municipality is blighted
50 property. The commissioner may remove the designation of any area
51 which has been approved as a housing development zone if such area
52 no longer meets the criteria for designation as such a zone set forth in
53 sections 8-376 and 8-377 or in regulations adopted pursuant to section
54 8-381, provided no such designation shall be removed less than ten

55 years from the original date of approval of such zone.

56 (b) The commissioner shall give immediate consideration for
57 financial assistance pursuant to chapter 128, 130, 133, 138 or 588l or
58 section 8-37pp or 8-336p to proposals from eligible developers, as
59 defined in section 8-39, that will be located in a housing development
60 zone. If a project to be located in a housing development zone is
61 comparable to a project that will not be located in a housing
62 development zone, the commissioner shall give priority to
63 authorization of the project in the housing development zone.

64 Sec. 3. Section 32-1m of the general statutes is amended by adding
65 subdivision (16) as follows (*Effective July 1, 2007*):

66 (NEW) (16) A detailed summary of projects funded in housing
67 development zones, along with a description of the priority the
68 projects received, the number funded and the amount of funds
69 awarded.

70 Sec. 4. Subdivision (v) of section 32-222 of the general statutes is
71 repealed and the following is substituted in lieu thereof (*Effective July*
72 *1, 2007*):

73 (v) "Targeted investment community" means a municipality which
74 contains an enterprise zone designated pursuant to section 32-70 or a
75 housing development zone designated pursuant to section 8-378, as
76 amended by this act.

77 Sec. 5. Subsection (d) of section 10-416 of the general statutes is
78 repealed and the following is substituted in lieu thereof (*Effective July*
79 *1, 2007*):

80 (d) The commission shall, in consultation with the Commissioner of
81 Revenue Services, adopt regulations, in accordance with chapter 54, to
82 carry out the purposes of this section. Such regulations shall provide
83 that if an historic home located in a housing development zone
84 designated pursuant to section 8-378, as amended by this act, is

85 comparable to an historic home that is not located in a housing
86 development zone, priority for issuance of tax credit vouchers shall be
87 given to the historic home located in the housing development zone.

88 Sec. 6. Subsection (d) of section 10-416a of the general statutes is
89 repealed and the following is substituted in lieu thereof (*Effective July*
90 *1, 2007*):

91 (d) The commission shall adopt regulations, in accordance with
92 chapter 54, to carry out the purposes of this section. Such regulations
93 shall include provisions for filing of applications, rating criteria and for
94 timely approval by the commission. Such regulations shall provide
95 that if a certified historic structure located in a housing development
96 zone designated pursuant to section 8-378, as amended by this act, is
97 comparable to a certified historic structure that is not located in a
98 housing development zone, priority for issuance of tax credit vouchers
99 shall be given to the certified historic structure located in the housing
100 development zone.

101 Sec. 7. Subsection (k) of section 8-395 of the general statutes is
102 repealed and the following is substituted in lieu thereof (*Effective July*
103 *1, 2007*):

104 (k) The Connecticut Housing Finance Authority, with the approval
105 of the Commissioner of Revenue Services, shall adopt written
106 procedures in accordance with section 1-121 to implement the
107 provisions of this section. Such procedures shall include provisions for
108 issuing tax credit vouchers for cash contributions to housing programs
109 based on a system of ranking housing programs. In establishing such
110 ranking system, the authority shall consider the following: (1) The
111 readiness of the project to be built; (2) use of the funds to build or
112 rehabilitate a specific housing project or to capitalize a revolving loan
113 fund providing low-cost loans for housing construction, repair or
114 rehabilitation to benefit persons of very low, low and moderate
115 income; (3) the extent the project will benefit families at or below
116 twenty-five per cent of the area median income and families with

117 incomes between twenty-five per cent and fifty per cent of the area
118 median income, as defined by the United States Department of
119 Housing and Urban Development; (4) evidence of the general
120 administrative capability of the nonprofit corporation to build or
121 rehabilitate housing; (5) evidence that any funds received by the
122 nonprofit corporation for which a voucher was issued were used to
123 accomplish the goals set forth in the application; and (6) with respect
124 to any income year commencing on or after January 1, 1998: (A) Use of
125 the funds to provide housing opportunities in urban areas and the
126 impact of such funds on neighborhood revitalization; and (B) the
127 extent to which tax credit funds are leveraged by other funds. Ten
128 additional points shall be awarded for projects located in housing
129 development zones.

130 Sec. 8. (NEW) (*Effective July 1, 2007*) On or before February 1, 2008,
131 and annually thereafter, the Commission on Culture and Tourism shall
132 submit a report to the joint standing committee of the General
133 Assembly having cognizance of matters relating to planning and
134 development and to the select committee of the General Assembly
135 having cognizance of matters relating to housing on the issuance of tax
136 credit vouchers for historic homes located in housing development
137 zones pursuant to section 10-416 of the general statutes, as amended by
138 this act, and certified historic structures in housing development
139 zones, pursuant to section 10-426a of the general statutes, as amended
140 by this act. Such report shall include detailed information on the
141 vouchers issued for historic homes and certified historic structures
142 located in housing development zones, along with a description of the
143 priority they received, the number and the amount of such vouchers
144 issued.

145 Sec. 9. (NEW) (*Effective July 1, 2007*) In issuing tax credits under the
146 Low Income Tax Credit Program, 26 USC 42, the Connecticut Housing
147 Finance Authority shall award ten individual points for projects
148 located in housing development zones.

149 Sec. 10. (NEW) (*Effective July 1, 2007*) On or before February 1, 2008,

150 and annually thereafter, the Connecticut Housing Finance Authority
151 shall submit a report on the issuance of tax credits under section 8-395
152 of the general statutes, as amended by this act, and under the Low
153 Income Tax Credit Program, 26 USC 42 to the joint standing committee
154 of the General Assembly having cognizance of matters relating to
155 planning and development and to the select committee of the General
156 Assembly having cognizance of matters relating to housing. Such
157 report shall include detailed information on the vouchers issued for
158 housing located in housing development zones, along with a
159 description of the priority they received, the number and amount of
160 such vouchers issued.

161 Sec. 11. (NEW) (*Effective July 1, 2007*) (a) The zoning commission of
162 each municipality may establish a conservation development zone as
163 part of the zoning regulations adopted under section 8-2 of the general
164 statutes or any special act.

165 (b) A conservation development zone shall be an overlay zone and
166 shall satisfy the following requirements:

167 (1) The housing density of the conservation development zone shall
168 constitute an increase of at least ten per cent more than the housing
169 density of the underlying zone;

170 (2) The size of lots in the conservation development zone shall be
171 based on soil characteristics. If a lot does not have an on-site well and
172 septic system, the regulations may authorize the commission to waive
173 the requirements of the zoning regulations, including, but not limited
174 to, requirements for acreage, setbacks, lot coverage, building height
175 and road frontage; and

176 (3) Open space in a development shall follow the contours of the
177 land in the area to be developed and the minimum amount or
178 unimproved open space of a development in the conservation
179 development zone shall be forty per cent of the land in the
180 development. Open space may be transferred by easement of

181 conveyance to the municipality or to a nonprofit land holding
182 conservation organization.

183 Sec. 12. (NEW) (*Effective July 1, 2007*) A zoning commission, at the
184 time of and as part of its adoption of regulations for a conservation
185 development zone, may adopt design standards for conservation
186 within such zone. An application for a development in a housing
187 development shall not be subject to review under section 8-3c of the
188 general statutes, but shall be subject to site plan review under
189 subsection (g) of section 8-3 of the general statutes.

190 Sec. 13. (NEW) (*Effective July 1, 2007*) (a) A zoning commission, at
191 the time of and as part of its adoption of regulations for a cluster zone,
192 may adopt design standards for conservation development within
193 such zone. Such design standards may (1) ensure that construction
194 within the conservation development zone is complementary to
195 adjacent and neighboring buildings and structures; and (2) address the
196 scale and proportions of buildings; site coverage; alignment, width and
197 grade of streets and sidewalks; type and location of infrastructure;
198 location of building and garage entrances; off-street parking;
199 protection of significant natural site features; location and design of
200 open spaces; signage; and setbacks and buffering from adjacent
201 properties.

202 (b) A design standard shall not be adopted if such standard will
203 unreasonably impair the economic or physical feasibility of
204 constructing housing at the minimum densities.

205 Sec. 14. (NEW) (*Effective July 1, 2007*) A zoning commission, at the
206 time of and as part of its adoption of regulations for a conservation
207 development zone, may adopt design standards for developments
208 within such zone. Such design standards may (1) ensure that
209 construction within the conservation development zone is
210 complementary to adjacent and neighboring buildings and structures;
211 and (2) address the scale and proportions of buildings; site coverage;
212 alignment, width and grade of streets and sidewalks; type and location

213 of infrastructure; location of building and garage entrances; off-street
214 parking; protection of significant natural site features; location and
215 design of open spaces; signage; and setbacks and buffering from
216 adjacent properties.

217 Sec. 15. (NEW) (*Effective July 1, 2007*) (a) A zoning commission shall
218 prescribe, consistent with the provisions of this section and sections 11
219 to 14, inclusive, of this act, the form of an application for approval of a
220 conservation development. Receipt and processing of applications
221 shall follow the time periods and procedures of chapter 124 or chapter
222 126 of the general statutes, as applicable. A zoning commission or its
223 agent is authorized, to the extent allowed by the Freedom of
224 Information Act, to conduct one or more preliminary or preapplication
225 planning or workshop meetings with regard to a conservation
226 development zone or development. A zoning commission may
227 conduct a public hearing in connection with an application for site
228 plan or subdivision approval of a conservation development.

229 (b) The regulations of a conservation development zone may require
230 the applicant for approval of a conservation development to pay the
231 cost of reasonable consulting fees to provide peer review of the
232 technical aspects of the application for the benefit of the zoning
233 commission. Such fees shall be held in a separate account and used
234 only for expenses associated with the technical review of the
235 application by consultants who are not otherwise salaried employees
236 of the municipality or the zoning commission, and any surplus
237 remaining, including any interest accrued, shall be returned to the
238 applicant within forty-five days of the completion of such technical
239 review.

240 (c) Conservation development zone regulations may provide for the
241 referral of a site plan or subdivision application for comment to other
242 agencies, boards or commissions of the municipality. If a site plan or
243 subdivision application is referred to another agency, board or
244 commission, such agency, board or commission shall provide any

245 comments within the time period contained in section 8-7d of the
246 general statutes that is applicable to such application.

247 (d) A conservation development shall be approved by the zoning
248 commission subject only to conditions that are necessary to (1) ensure
249 substantial compliance of the proposed development with the
250 requirements of the conservation zone regulations, design standards
251 and, if applicable, subdivision regulations; or (2) mitigate any
252 extraordinary adverse impacts of the development on nearby
253 properties. An application may be denied only on the grounds that:
254 (A) The development does not meet the requirements set forth in the
255 conservation zone regulations; (B) the applicant failed to submit
256 information and fees required by the regulations and necessary for an
257 adequate and timely review of the design of the development or
258 potential development impacts; or (C) it is not possible to adequately
259 mitigate significant adverse project impacts on nearby properties by
260 means of conditions acceptable to the applicant.

261 (e) The duration and renewal of an approval of a conservation
262 development shall be governed by subsection (i) of section 8-3,
263 subsection (j) of section 8-3, section 8-26c or section 8-26g of the general
264 statutes, as applicable. The time to complete the work approved shall
265 be extended (1) by the time required to adjudicate to final judgment
266 any appeal from a decision of the commission on a conservation
267 development site plan or subdivision plan or any required coordinate
268 permit; (2) by the zoning commission if the applicant is actively
269 pursuing other permits needed for the development; (3) if there is
270 other good cause for the failure to complete such work; or (4) as
271 provided in an approval for a multiphase development.

272 (f) Approval of or amendment to regulations or design standards
273 for a conservation development zone or subzone, or site plan or
274 subdivision approval of a conservation development, may be appealed
275 to the Superior Court in compliance with the provisions of section 8-8
276 or section 8-28 of the general statutes, as applicable, provided that (1)
277 upon motion made to the court by the defendant municipality, zoning

278 commission, planning commission or applicant, the court shall order
279 each appealing party to post a bond in an amount sufficient to cover
280 (A) each moving defendant's anticipated attorney's fees and costs for
281 defending against the appeal, and (B) if applicable, an applicant's
282 anticipated or actual costs to carry and maintain its interest in the
283 subject property for a period of one year, as established by affidavit
284 filed with the court, which bond shall be forfeited in the event that the
285 appealing party does not substantially prevail in the appeal; (2) any
286 such appeal, upon motion by any defendant made at any time after the
287 return date, shall be transferred from the judicial district to which it is
288 returned to the judicial district of New Britain and shall be heard and
289 decided by one of the judges designated by the Chief Court
290 Administrator under chapter 126a of the general statutes; and (3) any
291 such appeal shall be a privileged case in the order of trial, to be heard
292 by the court as soon after the return day as is practicable.

293 Sec. 16. (NEW) (*Effective October 1, 2007*) (a) Any municipality that is
294 eligible for small town economic assistance under section 4-66g of the
295 general statutes may designate, by ordinance adopted by its legislative
296 body, a nutmeg zone within the municipality. Such ordinance shall
297 identify a specific geographic area as such zone and shall establish
298 criteria and goals for economic activity in the zone.

299 (b) Upon designation of a nutmeg zone under subsection (a) of this
300 section, the municipality may apply to the Commissioner of Economic
301 and Community Development for state approval of the designation.
302 The municipality seeking the approval of the commissioner for
303 designation of an area of the municipality as a nutmeg zone shall file
304 with the commissioner a preliminary application. Not later than sixty
305 days after receipt of such a preliminary application, the commissioner
306 shall indicate to the municipality, in writing, any recommendations for
307 improving the municipality's application. On or before July 1, 2008,
308 and annually thereafter, the commissioner shall conduct a lottery to
309 select ten nutmeg zones in the state.

310 (c) The amount of property taxes due under chapter 203 of the

311 general statutes for a facility that is constructed, improved
 312 substantially renovated or expanded in a nutmeg zone, on or after the
 313 effective date of this section, that is attributable to such construction,
 314 improvement, substantial renovation or expansion shall be abated by
 315 the municipality in which such facility is located for a period of three
 316 years after the date of construction, improvement, substantial
 317 renovation or expansion. The state, acting through the Commissioner
 318 of Economic and Community Development, shall provide a grant to
 319 the municipality in the amount of taxes abated under this section.

320 (d) The Commissioner of Economic and Community Development
 321 may adopt regulations, in accordance with chapter 54 of the general
 322 statutes, to implement this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	8-376
Sec. 2	<i>July 1, 2007</i>	8-378
Sec. 3	<i>July 1, 2007</i>	32-1m
Sec. 4	<i>July 1, 2007</i>	32-222(v)
Sec. 5	<i>July 1, 2007</i>	10-416(d)
Sec. 6	<i>July 1, 2007</i>	10-416a(d)
Sec. 7	<i>July 1, 2007</i>	8-395(k)
Sec. 8	<i>July 1, 2007</i>	New section
Sec. 9	<i>July 1, 2007</i>	New section
Sec. 10	<i>July 1, 2007</i>	New section
Sec. 11	<i>July 1, 2007</i>	New section
Sec. 12	<i>July 1, 2007</i>	New section
Sec. 13	<i>July 1, 2007</i>	New section
Sec. 14	<i>July 1, 2007</i>	New section
Sec. 15	<i>July 1, 2007</i>	New section
Sec. 16	<i>October 1, 2007</i>	New section

PD Joint Favorable Subst.